

Service Date: January 3, 1986

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application)
of MOUNTAIN STATES TELEPHONE)
AND TELEGRAPH (MOUNTAIN BELL))
to Implement Revised Depreciation)
Schedules and Recover Revenue)
Requirement.)

UTILITY DIVISION

DOCKET NO. 85.5.17

ORDER NO. 5173a

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NUNC PRO TUNC ORDER

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APPEARANCES

FOR THE APPLICANT:

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1716, Helena, Montana 59624

FOR THE MONTANA CONSUMER COUNSEL:

James C. Paine, Montana Consumer Counsel, 34 West Sixth Avenue, Helena, Montana
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FOR THE COMMISSION:

Geralyn Driscoll, Staff Attorney, 2701 Prospect Avenue, Helena, Montana 59620

BEFORE:

HOWARD L. ELLIS, Commissioner, Presiding
JOHN B. DRISCOLL, Commissioner
TOM MONAHAN, Commissioner
DANNY OBERG, Commissioner

FINDINGS OF FACT

Introduction

1. On December 16, 1985, this Commission issued Order 5173. Two clerical errors arising from oversight resulted in slight errors in the price increases for residential and residential local measured Services. Pursuant to Rule 60 (a), M.R.Civ.P., the Commission, upon its own motion, amends the Findings of Fact. The paragraph numbers in this order refer to the paragraph numbers in Order 5173. Except for these changes Order 5173 stands as issued.

15. In its rebuttal testimony MBT withdraws from this Docket its net revenue repression proposal, deferring it to a future proceeding that will consider Docket No. 84.4.19 repression and Docket No. 83.11.80 stimulation (Exh. 7, p. 7).

19. Including IFB-2, MBT proposes that eight areas be excluded from a price increase in this Docket:

- 1) Intrapremise wiring (\$957,473)
- 2) Coin usage (\$1,327,334)
- 3) ZIC/ZCC (\$4,536,899)
- 4) Intrastate carrier access (\$17,775,000)
- 5) Intraexchange usage (\$217,300)
- 6) Centron nonaccess (\$102,342)
- 7) MTS/WATS (\$45,520,831)
- 8) 1FB - 2 (\$21,902,931)*

* (Final Inventory, Docket No. 84.4.19)

24. The MPSC finds that 1FB-2 should be excluded from an increase in this Docket. However, the exclusion should be treated differently than proposed by MBT. MBT calculates a percent increase net of the exclusions and then further excludes 1FB - 2 from the subscriber access increase. The effective result is that subscriber access prices are increased by a greater amount (11%) than other nonexcluded prices (7%) to make up for the 1FB-2 exclusion. An alternative approach would treat 1FB - 2 as all other exclusions - - calculate the single percent increase (8%) that would apply to all nonexcluded prices. The MPSC finds that the record features no evidence that, for example, Private Line should be increased by a lesser amount than 1FR (TR p. 78) . The 1FB - 2 exclusion should be treated as the other exclusions are treated.

26. Given the exclusions provided above, the residual uniform percentage increase is as follows:

(\$ thousands/year)

Existing Revenue	\$239,627
Interstate Rev	- <u>89,841</u>
Intrastate Rev	\$149,786
Intrastate Rev	149,786
Exclusions	- <u>92,340</u>
Revenue Base	57,446
Revenue Increase	4,856
Revenue Base	÷57,446
Percent Increase	8.45%

27. The 8.45 percent increase causes the 1FR price to increase to \$12.52. Where available, residential local measured service access price would increase to \$7.35. The residential service installation charge was recently (August, 1985, Docket No. 84.4.19) increased from \$33.00 to \$43.15 (30.8%) - - a further 8.45 percent increase would increase it to \$46.80. In comparison, the nonregulated Helena Cable TV Company charges \$15 for residential service installation.

28. The installation of service charge is particularly burdensome to low income, relatively transient, renters who may incur that charge several times in one year. Excluding that charge from an increase raises the remaining percentage to 8.9 percent. Residential access prices would be \$12.57 and \$7.39 for flat and measured respectively.

DONE IN HELENA, MONTANA this 2nd day of January, 1986 by a vote of 4-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

HOWARD L. ELLIS, Commissioner
& Acting Chairman

JOHN B. DRISCOLL, Commissioner

TOM MONAHAN, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Trenna Scofield
Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision.
A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.